



# Ohio Legislative Service Commission

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## Fiscal Note & Local Impact Statement

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**Bill:** S.B. 110 of the 131st G.A.

**Date:** June 25, 2015

**Status:** As Enacted

**Sponsor:** Sen. Burke

**Local Impact Statement Procedure Required:** No

**Contents:** To authorize administration of certain drugs pursuant to delegation by an advanced practice registered nurse who holds a certificate to prescribe, to revise the law governing billing for anatomic pathology services performed on dermatology specimens, and to revise the law governing the practice of physician assistants

### State Fiscal Highlights

- The bill permits an advanced practice registered nurse (APRN) to delegate to a person not otherwise authorized to administer drugs the authority to administer a drug to a specified patient if certain conditions are met. The bill also requires the Ohio Board of Nursing to establish standards and procedures for delegation of the authority to administer drugs. The bill would likely result in a minimal increase in costs to the Ohio Board of Nursing. There would also be costs for the Ohio Board of Nursing to adopt rules and to establish standards and procedures, as directed under the bill.
- The bill modifies the required advanced pharmacology course of study the Ohio Board of Nursing approves that APRNs must take to be eligible for a certificate to prescribe, no longer requiring the course to include a planned classroom and clinical study. There could be additional educational programs that apply to be eligible to administer this course. There would be an increase in administrative costs to approve these courses.
- The bill repeals a provision that permits a physician, under certain circumstances, to bill for having an anatomic pathology service performed on a dermatology specimen despite the general prohibition on physicians billing for anatomic pathology services they did not perform or supervise. Under the bill, the prohibition on physicians billing for anatomic pathology services not personally performed or supervised, would apply to all specimen types.
- The bill eliminates the physician assistant certificate to prescribe and the provisional certificate to prescribe. As a result, the State Medical Board would lose approximately \$24,300 per year in certificate fee revenue. This loss of fee revenue could be offset by a reduction in administrative costs, as applications for the

certificate to prescribe will no longer be processed. The current fee for the certificate to prescribe is \$200.

- The bill increases the fees to be paid by a physician assistant for a license from \$200 to \$500 for an initial license and from \$100 to \$200 for a license renewal. According to the Board's annual report, in FY 2014 the Board issued 275 initial certificates. In FY 2014, the Board renewed 2,366 certificates. License renewals typically occur in even-numbered years. Thus, there will be a revenue gain of \$82,500 ( $\$300 \times 275$ ) in fee revenue from new licenses and a gain of \$236,600 ( $\$100 \times 2,366$ ) in fee revenue from the increase in physician assistant renewal fees. The fiscal impact on renewal fees would occur in even-numbered years.
- The bill eliminates the \$25 fee for submitting a supervision agreement of a physician assistant. According to the Board, in FY 2014 the Board processed 1,923 new supervision agreements, collecting \$48,075 in revenue ( $\$25 \times 1,923$ ). As of February FY 2015, the Board processed 7,888 supervision agreement renewals, collecting \$197,200 in revenue ( $\$25 \times 7,888$ ). Supervision agreements are typically renewed in odd-numbered years.
- The bill removes the requirement that the State Medical Board review physician assistant supervision agreements although physicians are still required to submit them. There could be a reduction in administrative costs if the Board does not review as many supervision agreements.
- The bill removes the requirement that a supervision agreement for any "special services" to be performed by a physician assistant be submitted to the Board. There could be a reduction in administrative costs, as these agreements will no longer require Board approval. According to the Ohio Hospital Association (OHA), there could also be a small reduction in administrative costs to state and county hospitals as these supervisory documents will no longer need to be submitted to the Board.
- The bill makes several changes to the physician assistant supervision agreement between the supervising physician and the physician assistant. According to OHA, there could be a small reduction in costs to state hospitals if there is a reduction in the paperwork required.
- The bill changes the name of the "certificate to practice" issued to physician assistants to "license." According to the State Medical Board, there could be an increase in administrative costs to the Board to begin issuing licenses instead of certificates.
- The bill requires, when a physician assistant's certification by the National Commission on Certification of Physician Assistants expires, lapses, or is suspended or revoked, that the physician assistant report to the State Medical Board within 14 days upon receiving notice from the Commission. The bill also extends the Board's authority to limit, revoke, or suspend an individual's license to practice as a physician assistant or prescriber number, refuse to issue a license to an applicant, refuse to reinstate a license, or reprimand or place on probation the holder of a

license if a physician's certification by the National Commission on Certification of Physician Assistants or a successor organization expires, lapses, or is suspended or revoked. There could be an increase in costs to the Board if there are additional disciplinary actions required.

- The bill revises the education and experience requirements for physician assistants and the requirements to receive a prescriber number from the State Medical Board. As a result, there could be an increase in administrative costs to the Board to accept the new educational qualifications.
- The bill modifies the services that a physician assistant can perform. According to OHA, there could be a reduction in costs for state and county hospitals if a physician assistant is available and can perform these services, allowing a supervising physician to attend to other patients.

### **Local Fiscal Highlights**

- The bill removes the requirement that a supervision agreement for any "special services" to be performed by a physician assistant be submitted to the Board. There could be a reduction in administrative costs, as these agreements will no longer require Board approval. According to the Ohio Hospital Association (OHA), there could also be a small reduction in administrative costs to state and county hospitals as these supervisory documents will no longer need to be submitted to the Board.
- The bill makes several changes to the physician assistant supervision agreement between the supervising physician and the physician assistant. According to OHA, there could be a small reduction in costs to county hospitals if there is a reduction in paperwork required.

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## Detailed Fiscal Analysis

### Advanced practice registered nurses

#### Pharmacology course of study

The bill modifies the required advanced pharmacology course of study the Ohio Board of Nursing approves that APRNs must take to be eligible for a certificate to prescribe, no longer requiring the course to include a planned classroom and clinical study. There could be additional educational programs that apply to be eligible to administer this course. There would be an increase in administrative costs to approve these courses.

#### Drug administration

The bill permits an advanced practice registered nurse (APRN) to delegate to a person not otherwise authorized to administer drugs the authority to administer a drug to a specified patient if certain conditions are met. The APRN must be a clinical nurse specialist, certified nurse-midwife, or certified nurse practitioner and hold a certificate to prescribe issued by the Ohio Board of Nursing. The bill requires the Board to establish standards and procedures for delegation of the authority to administer drugs.

Under current law, registered nurses and licensed practical nurses may delegate the authority to administer drugs in limited circumstances. These include: (1) delegating to medication aides employed in nursing homes or residential care facilities the authority to administer prescription drugs to residents and (2) delegating to personnel providing certain services to individuals with developmental disabilities the authority to administer oral and topical medications and insulin in specified locations.

The bill would likely result in a minimal increase in costs to the Ohio Board of Nursing. These costs could result from handling increases in complaints, conducting investigations, and taking disciplinary action. There would also be costs for the Board to adopt rules and to establish standards and procedures, as directed under the bill.

#### Anatomic pathology services

The bill repeals a provision that permits a physician, under certain circumstances, to bill for having an anatomic pathology service performed on a dermatology specimen despite the general prohibition on physicians billing for anatomic pathology services they did not perform or supervise. Under this bill, the prohibition on physicians billing for anatomic pathology services not personally performed or supervised, would apply to all specimen types.

The State Medical Board is authorized to take disciplinary action against a physician who violates the provisions of the bill. Under current law, the State Medical Board does not have the authority to take action directly related to billing. Presently, the Board generally directs individuals with billing disputes to the professional

associations, the Department of Insurance, the Department of Medicaid if the dispute involves Medicaid billing, or the provider in question. However, if violations occur, there may be a minimal increase in administrative costs to the Board associated with taking disciplinary action.

## **Physician assistants**

### **Prescriptive authority**

The bill eliminates the physician assistant certificate to prescribe and the provisional certificate to prescribe. Under the bill, a physician assistant who holds a valid prescriber number issued by the State Medical Board is authorized to prescribe and personally furnish drugs and therapeutic devices in exercise of physician-delegated prescriptive authority. As a result, the Board would lose approximately \$24,300 per year in certificate fee revenue. This loss of fee revenue could be offset by a reduction in administrative costs, as applications for the certificate to prescribe will no longer be processed. The current fee for the certificate to prescribe is \$200.

### **Physician supervision of physician assistants**

The bill removes the requirement that the State Medical Board must review physician assistant supervision agreements although physicians are still required to submit them. There could be a decrease in administrative costs if the Board does not review as many supervision agreements.

The bill eliminates the \$25 fee for submitting a supervision agreement of a physician assistant. According to the Board, in FY 2014 the Board processed 1,923 new supervision agreements, collecting \$48,075 in revenue ( $\$25 \times 1,923$ ). As of February FY 2015, the Board processed 7,888 supervision agreement renewals, collecting \$197,200 in revenue ( $\$25 \times 7,888$ ). Supervision agreements are typically renewed in odd-numbered years.

The bill also makes several changes to the physician assistant supervision agreement between the supervising physician and the physician assistant. These changes include: modifying the distance a physician assistant can be from where a physician assistant is practicing, removing the requirement that the supervising physician regularly review the condition of the patients treated by the physician assistant, and increasing the number of physician assistants a physician may supervise from two to three. According to OHA, there could be a small reduction in costs to state and county hospitals if there is a reduction in the paperwork required.

The bill removes the requirement that a supervision agreement for any "special services" to be performed by a physician assistant be submitted to the Board. There could be a reduction in administrative costs, as these agreements will no longer require Board approval. According to the Ohio Hospital Association (OHA), there could also be a small reduction in administrative costs to state and county hospitals as these supervisory documents will no longer need to be submitted to the Board.

### **Physician assistant license**

The bill changes the name of the "certificate to practice" issued to physician assistants to "license" and requires the State Medical Board to begin issuing licenses instead of certificates to practice not later than 90 days after the bill takes effect. According to the State Medical Board, there could be an increase in administrative costs to the Board to begin issuing licenses instead of certificates.

The bill increases the fees to be paid by a physician assistant for a license from \$200 to \$500 for an initial license and from \$100 to \$200 for a license renewal. According to the Board's annual report, in FY 2014 the Board issued 275 initial certificates. In FY 2014, the Board renewed 2,366 certificates. License renewals typically occur in even-numbered years. Thus, there will be a revenue gain of \$82,500 ( $\$300 \times 275$ ) in fee revenue from new licenses and a gain of \$236,600 ( $\$100 \times 2,366$ ) in fee revenue from the increase in physician assistant renewal fees. The fiscal impact on renewal fees would occur in even-numbered years.

### **Educational requirements of physician assistants**

The bill revises the education and experience requirements for physician assistants and the requirements to receive a prescriber number from the State Medical Board. The bill provides that a physician assistant who holds a license issued by the Board may exercise physician-delegated prescriptive authority if the physician assistant holds a master's or higher degree or had prescriptive authority while practicing in another jurisdiction and has been in active practice in any jurisdiction throughout the three-year period immediately preceding the date of the application or the military.

The bill also permits the Board to grant authority to exercise physician-delegated prescriptive authority to a physician assistant who obtained a license without having first obtained a master's or higher degree if the physician assistant later obtains such a degree. As a result, there could be an increase in administrative costs to the Board to accept the new educational qualifications.

### **Loss of national certification**

The bill requires, when a physician assistant's certification by the National Commission on Certification of Physician Assistants expires, lapses, or is suspended or revoked, that the physician assistant report to the State Medical Board within 14 days upon receiving notice from the Commission. The bill also extends the Board's authority to limit, revoke, or suspend an individual's license to practice as a physician assistant or prescriber number, refuse to issue a license to an applicant, refuse to reinstate a license, or reprimand or place on probation the holder of a license if a physician assistant's certification by the National Commission on Certification of Physician Assistants or a successor organization expires, lapses, or is suspended or revoked. There could be an increase in costs to the Board if there are additional disciplinary actions required.

## **Physician assistant services**

The bill modifies the services that a physician assistant can perform. The bill also permits a physician assistant to delegate a task the supervising physician is authorized to perform that implements the plan of care for a patient within the supervision agreement between the physician and the physician assistant.

In addition, the bill permits respiratory care professionals to perform within the scope of their practice pursuant to a prescription or other order for respiratory care issued by a physician assistant who has been granted physician-delegated prescriptive authority that allows the physician assistant to prescribe or order respiratory care services. The bill also permits a licensed practical nurse to receive direction from a physician assistant and to administer intravenous therapy and adult intravenous therapy at the direction of a physician assistant.

According to OHA, there could be a reduction in costs for state and county hospitals if a physician assistant is available and can perform these services, allowing a supervising physician to attend to other patients. There could also be a reduction in costs for state and county hospitals if a delegated individual is able to perform a service instead of the physician assistant.